

Message Text

PAGE 01 BERN 03260 02 OF 02 220907Z

12
ACTION EUR-12

INFO OCT-01 AF-08 IO-13 ISO-00 AID-05 CIAE-00 COME-00

EB-07 FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04

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USMISSION OECD PARIS
USMISSION GENEVA
USDEL MTN GENEVA
AMCONSUL ZURICH

UNCLAS SECTION 2 OF 2 BERN 3260

PASS TREASURY AND FRB

ECONOMIC

4. FOREIGN TRADE: TRADE EXPANDED FURTHER DURING JUNE;
COMPARED JUNE 1975 IMPORTS ROSE 8.9 PERCENT TO SF 3,076.8
MILLION, EXPORTS UP 4.6 PERCENT TO SF 3,083 MILLION.
JUNE TRADE BALANCE CLOSED WITH SF 6.2 MILLION SURPLUS AGAINST
SF 122.3 MILLION IN MAY. FIRST HALF 1976 EXPORTS SF 17,798.6
MILLION AGAINST IMPORTS SF 17,542.3 MILLION FOR TRADE
BALANCE SURPLUS SF 2.56.3 MILLION, COMPARED TO DEFICIT
SF 1,443.8 MILLION FIRST HALF 1975; IMPORTS DECREASED 1.3
PERCENT WHILE EXPORTS UP 8.9 PERCENT FROM LAST YEAR.

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PAGE 02 BERN 03260 02 OF 02 220907Z

5. BUILDING INDUSTRY: INDUSTRY STILL IN DECLINE. NEW
HOUSING UNITS COMPLETED FIRST FIVE MONTHS 1976 ABOUT
6,000, OR 39 PERCENT BELOW VOLUME SAME PERIOD 1975 AND
71 PERCENT BELOW RECORD 1973. NUMBER BUILDING PERMITS

4,730 DOWN 36 PERCENT FROM LAST YEAR AND 50 PERCENT FROM 1970 HIGH. BUILDING FIRMS BELIEVE RECESSION FOR INDUSTRY NOT YET AT BOTTOM, BUT DOWNWARD TREND HAS SLOWED; PRICE COMPETITION AND RESTRUCTURING PROCESS EXPECTED CONTINUE FORESEEABLE FUTURE. SWISS FIRMS ACTIVELY SEEKING CONTRACTS IN MIDDLE EAST AND NEIGHBORING EUROPEAN COUNTRIES.

6. INDUSTRIAL OUTLOOK: VORORT (SWISS UNION OF COMMERCE AND INDUSTRY) SURVEY OF INDUSTRY DURING SECOND QUARTER 1976 INDICATES INCREASED SALES VOLUME SOME INDUSTRIES WITH LABOR SHORTAGES APPEARING CERTAIN SECTORS; EXPECTATIONS HIGH FOR COMING MONTHS. HOWEVER, PROFITS DOWN DUE LOW LEVEL CAPACITY UTILIZATION AND DEPRESSED EXPORT PRICES NECESSITATED BY APPRECIATED SWISS FRANC. VORORT PRESIDENT JUNOD TOLD INTERANTIONAL INVESTMENT SYMPOSIUM THAT SWISS INDUSTRY MUST CONCENTRATE ON SPECIALIZATION IN HIGH TECHNOLOGY USING LESS LABOR AND RAW MATERIALS. MOREOVER SWISS FIRMS AIMING AT EXPANDED PRODUCTION SHOULD DIRECT EFFORTS FOR LABOR INTENSIVE PRODUCTS TO NEW FACILITIES IN LDC'S. JUNOD SAID SWISS POLICY FAVORS TECHNOLOGY TRANSFERS WHERE TECHNOLOGY ESPECIALLY SUITABLE TO LOCAL CONDITIONS, E.G., RAW MATERIAL PROCESSING IN PRODUCING COUNTRY.

7. FAMILY LAW: FAR REACHING ECONOMIC AND SOCIAL IMPLICATIONS PREDICTED FROM PROPOSED FAMILY LAW CHANGE WHICH WOULD PROVIDE EQUAL STATUS FOR WOMEN WITH MEN IN MARRIAGE. CONSULATION UNDERWAY WITH LOCAL GOVTS ON PROVISIONS: PRESERVE RIGHTS TO PROPERTY BROUGHT INTO MARRIAGE AS WELL AS PROPERTY ACQUIRED IN WEDLOCK; PERMIT CHOICE OF HUSBAND'S OR WIFE'S SURNAME; GRANT EQUALITY UNDER RESIDENCY LAWS; ASSURE MARRIED WOMEN RIGHT TO PURSUE INDEPENDENT OCCUPATION; AND INCREASE INHERITANCE FOR WIDOWS BY EXCLUDING SOME OF HUSBAND'S RELATIVES.

8. TAX REFORM: DEBATE CONTINUES ON GOVT'S TAX REFOR AND FINANCIAL PROGRAM SOCIALIST PARTY HAS RESPONDED TO CALL BY SWISS BANKERS' ASSOCIATION FOR UNCLASSIFIED

PAGE 03 BERN 03260 02 OF 02 220907Z

COUNCIL OF STATES TO REDUCE RATES ON HIGHER INCOME BRACKETS AND CORPORATIONS. SOCIALISTS BLASTED BANKS, STRONGEST SECTOR SWISS ECONOMY, AS LEAST LIKELY TO SUFFER FROM INCREASED FISCAL MEASURES; URGED PARLIAMENTARIANS RESIST ATTEMPTS REDUCE QUOTE SOCIAL GAINS UNQUOTE; AND INVITED BANKERS IDENTIFY POSSIBLE REDUCTIONS IN GOVT OUTLAYS.
ODELL

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